







MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
Homeownership Division

Understanding the Foreclosure Process

 Day 1 to 15	 Day 16 to 90	 Day 91 - 180	 Day 181+	 Day 212+	 Redemption Period
<p>Payment due on the 1st and is considered delinquent if not paid.</p> <p>Begin communication by calling your Lender.</p> <p>During this time if your Lender allows you to make a partial payment – make it.</p> <p>Find out if you are eligible for a HARP refinance.</p>	<p>Late charges are assessed on the 16th of each month for each missed payment.</p> <p>Lender makes multiple attempts to contact the borrower by phone.</p> <p>Lender mails notices of delinquency.</p> <p>Ask your Lender “what are my options?”</p>	<p>Lender mails out notice that a foreclosure is possible and that borrower has right to contact an attorney or a housing counselor for assistance.</p> <p>Lender sends “demand” or “breach” letter that the mortgage terms have been violated.</p> <p>The borrower must contact the Lender within 30 days from the date the notice is mailed to “opt-in” to the 90-day pre-foreclosure meeting process.</p>	<p>If all attempts to resolve the mortgage default are unsuccessful the Lender:</p> <ul style="list-style-type: none"> - Records a notice of foreclosure at the local courthouse. - Schedules the Sheriff Sale. - Posts a foreclosure notice on the house. - Publishes details of the debt in the local paper for four consecutive weeks. 	<p>House is sold at the Sheriff Sale (foreclosure sale or auction).</p> <p>The “Sheriff’s Deed” lists the last date the property can be redeemed.</p> <p>To get the property back the borrower must pay: Amount bid at sheriff sale + interest + fees.</p> <p>Following the Sheriff sale, the redemption period begins. That is generally six months but can be up to 12 months if property is over 3 acres and used for agricultural purposes.</p>	<p>During the redemption period the borrower may continue to live in the house with no mortgage payments, but MUST:</p> <ul style="list-style-type: none"> ➢ Maintain the property ➢ Maintain utilities ➢ Maintain insurance ➢ Allow the Lender to inspect the home <p>But, once you move out, the Lender can take action to gain possession of the abandoned property.</p> <p>EVICTON - At the end of the redemption period if you have not already vacated the home you will receive an eviction notice to appear in court. At the hearing a date is set for the Sheriff to physically remove you from the property, if necessary.</p>
<p>As soon as possible contact a MSHDA-certified Housing Counselor for free assistance. Find the nearest one at www.michigan.gov/mshda</p>					
<p>Don’t agree to a workout plan if you cannot afford to make the payments.</p> <p>In many cases the collection and foreclosure process continues while your request for a loan workout or modification is under review.</p> <p>Make sure you are communicating with someone who has the authority to do a workout and get it in writing. Talk with your Lenders loss mitigation department, not the collections department.</p> <p>Avoid Rescue Scams</p> <ul style="list-style-type: none"> • Don’t give someone money who says they can prevent a foreclosure or help you get a loan modification. • Don’t sign paperwork you aren’t familiar with or sign a deed over to someone who says they will help you. 			<p><u>Be realistic</u> – if you cannot afford to keep your home – sell it. List your home with a reputable Realtor® who is familiar with “short sales” if you owe more than your home is worth. A short sale requires your Lenders approval. Always ask for a waiver of deficiency from the Lender.</p> <p>Ask your Lender if you are eligible for the Making Home Affordable HAFA program.</p>		